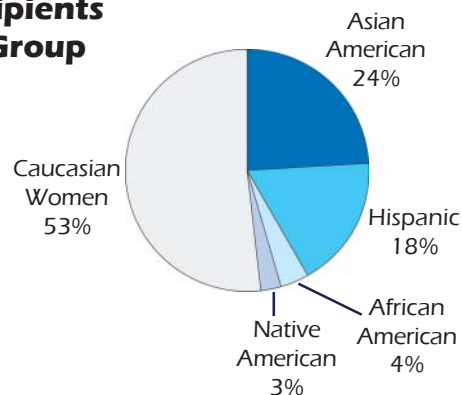


Participating Banks

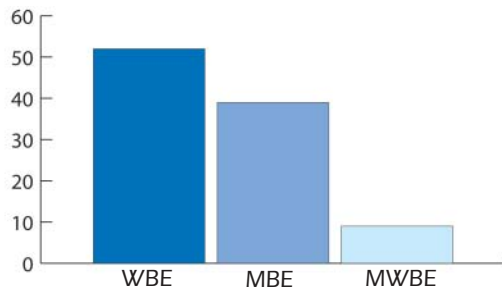
American West Bank	Key Bank
Bank Northwest	Northwest International Bank
Bank of America	Pacific Northwest Bank
Bank of Whittman	People's Bank
Banner Bank	Skagit State Bank
Cascade Bank	South Sound Bank
Coastal Community Bank	State National Bank
Commerce Bank of WA	Sterling Savings Bank
Evertrust Bank	Timberland Bank
First Heritage Bank	U.S. Bank
First Mutual Bank	Washington Trust Bank
Frontier Bank	Wells Fargo
Harbor Bank	Wheatland Bank
Islander Bank	Whidbey Island Bank

Program Statistics

Recipients By Group



Recipients by Certification Type



Source: OMWBE LDP Loan Verification Tracking Report, FY94-FY03

State Resources

For general information and certification application, contact:



Office of Minority and Women's Business Enterprises
406 South Water Street
Olympia, WA 98504
360-753-9693
Toll Free: 866-208-1064

Banks interested in participating in the Linked Deposit Program should contact:



Office of the State Treasurer
Legislative Building
Olympia, WA 98504-0200
360-902-9011

For information on program performance:



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

Department of Community, Trade and Economic Development
Minority & Women's Business Development
2001 Sixth Avenue, Suite 2600
Seattle, WA 98121
206-256-6116



**LINKED
DEPOSIT
PROGRAM**

**Financing for Certified
Minority and Women's
Business Enterprises**



Program Description

The Washington State Linked Deposit Program ("LDP") was created by the 1993 Minority and Women Owned Business Assistance Act. The Washington State Legislature found that minority and women owned businesses had been historically denied access to capital and that lack of capital is a key barrier to the development of minority and women owned businesses.

The State Treasurer is authorized to use up to \$50 million of the State's short-term surplus funds to purchase certificates of deposit in an amount equivalent to the amount financial institutions loan to certified minority and women's business enterprises.

The Linked Deposit Program "links" the State's surplus fund deposits to the commercial loans that financial institutions make to certified minority and women business enterprises. Two percent of the interest that is earned on the State's certificates of deposit is used to reduce the interest rate that would otherwise be charged to a certified business for its loan or other financing.

Program Scope

- ◆ Firms must be certified as an MBE, WBE, MWBE, or CBE by the State Office of Minority and Women's Business Enterprises
- ◆ Firms must satisfy the bank's financing/loan criteria
- ◆ Types of qualifying loans:
Any commercial financing made to the certified firm, e.g., lines of credit, financing of accounts receivable, working capital, equipment purchases, real property acquisition
- ◆ No minimum or maximum dollar limit, or limit on the number of loans a firm may have
- ◆ Interest Rate: Two percentage points below the market rate for a similar loan
- ◆ Loan Term: Up to five years; may be renewed

OMWBE Certification Criteria

- ◆ Eligible owner must be a U.S. citizen or lawful permanent resident
- ◆ Eligible owner must be a minority (African American, Asian American, Hispanic American, Native American), or a woman
- ◆ Eligible owner must own at least 51% and maintain managerial and operational control
- ◆ Firm must be independently owned and operated
- ◆ Firm must be a small business
- ◆ Firm must perform a "commercially useful function"

Questions & Answers

Q - Who administers the Program?

A - The State Treasurer's Office, Office of Minority and Women's Business Enterprises, and the Office of Community, Trade, and Economic Development each have distinct duties in the administration of the Program.

Q - Who is eligible to participate in the Program?

A - The Program is available to any minority or woman owned business enterprise currently certified by OMWBE.

Q - Does the state loan the funds used in the Program?

A - No. The state is not lending money. The loans are made directly by the bank. The state purchases the certificate of deposit that makes the interest rate reduction in the Program possible.

Q - How can I obtain a Linked Deposit loan?

A - Contact your bank to discuss its lending requirements. You will need to meet the bank's lending criteria.

Q - Is the loan affected if my business is decertified before the loan is retired?

A - Yes. If the firm is decertified prior to paying off the loan, the interest rate reverts to the market rate. The loan no longer qualifies for the reduced interest rate.

Q - Does the State guarantee repayment of Linked Deposit loans?

A - No. The State does not guarantee the loans will be repaid if the borrower defaults. The Program only provides a two percent interest rate reduction. The bank determines what collateral, if any, is required to secure repayment.